

**SUMMARY OF THE MEETING OF THE
ARIZONA STATE RETIREMENT SYSTEM
INVESTMENT COMMITTEE**

HELD ON

**Tuesday, January 6, 2009
1:00 p.m.**

The Investment Committee (IC) of the Arizona State Retirement System (ASRS) met at 3300 N. Central Avenue, 14th Floor Conference Room, Phoenix, Arizona 85012. Mr. Lawrence Trachtenberg, Chair of the IC, called the meeting to order at 1:03 p.m., Arizona Time.

1. Call to Order; Roll Call; Opening Remarks

Present: Mr. Lawrence Trachtenberg, Chair
 Mr. Christopher Harris, Vice-chair
 Mr. Thomas Connelly
 Mr. James McLaughlin

A quorum was present.

2. Approval of the Minutes of the December 11, 2008, IC Meeting

Motion: Mr. Christopher Harris moved the minutes of the December 11, 2008, IC meeting be adopted as presented. Mr. Thomas Connelly seconded the motion.

By a vote of 4 in favor, 0 opposed, 0 abstentions, and 0 excused, the motion was approved.

3. Presentation, Discussion, and Appropriate Action Regarding ASRS Cash Flow Management

Mr. Lawrence Trachtenberg introduced the topic. Mr. Paul Matson, Director, explained although the ASRS' liquidity position (relatively liquid investments) is favorable relative to many other institutional investors and exceeds existing cash flow requirements, he and Gary R. Dokes, Chief Investment Officer (CIO), recognize that future additional cash needs may develop over the short and intermediate term as a result of the existing and likely continuing dislocated financial market environment, retirement demographics, hiring freezes, potential government downsizing and so forth.

Mr. Matson said he and Mr. Dokes intend to postpone the approval of new commitments to private market investments until March 31, 2009, unless an overriding investment opportunity exception exists. This applies to private markets investments with "locked-up" capital investments structures (e.g. general partner/limited partner construct) and primarily pertains to private equity, private real estate and opportunistic investment asset classes (not including REITs). This action is viewed as precautionary and preemptive should liquidity issues arise which may hinder funding of private market investments, inhibit rebalancing, or cause other potential stresses to the Fund. Discussion ensued.

Mr. Matson pointed out that he and the CIO will notify the IC in the event this directive will be rescinded or plans to be extended beyond March 31, 2009.

4. Presentation, Discussion, and Appropriate Action Regarding the ASRS General Investment Consulting Search

Motion: Mr. Harris moved the Investment Committee adjourn to Executive Session. Mr. James McLaughlin seconded the motion.

By a vote of 4 in favor, 0 opposed, 0 abstentions, and 0 excused, the motion was approved.

The Committee convened to Executive Session at 1:24 p.m.

The Committee returned to Regular Session at 3:41 p.m.

Motion: Mr. Connelly moved that staff proceed to negotiate with respondents to the RFP as discussed in Executive Session. Mr. Harris seconded the motion.

By a vote of 4 in favor, 0 opposed, 0 abstentions, and 0 excused, the motion was approved.

5. Call to the Public

No members of the public requested to speak to the IC.

The meeting adjourned at 3:42 p.m.

Respectfully submitted,

Lisa Hanneman, Secretary Date

Gary R. Dokes, Chief Investment Officer Date